

## **SECTION 4: REPORTING REQUIREMENTS**

### **INSTRUCTIONS, FORMS and SCHEDULES**

#### **REQUIRED ANNUAL AUDIT SCHEDULES:**

- General Requirements

- Milwaukee County Department of Health and Human Services requirements

- Examples of reports and recoveries resulting from reporting deficiencies

- Required schedules

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  - Schedule of Revenue and Expense by Funding Source

  - Schedule of Expenditures of Federal and State Awards

  - Incorporated Group Home/Child Caring Institution Supplemental Schedule

  - Reserve Supplemental Schedule

  - Schedule of Findings and Questioned Costs

## **SECTION 4:      REPORTING REQUIREMENTS**

### **REQUIRED ANNUAL AUDIT SCHEDULES**

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#### **1. General Requirements**

Annual audits of contract agencies receiving \$25,000 or more from Milwaukee County Department of Health and Human Services are required as per Wisconsin Statutes, Section 46.036 (4)(c). Those audits are to be performed in accordance with the requirements of the Wisconsin *Provider Agency Audit Guide, 1999 revision* issued by Wisconsin Departments of Health and Family Services, Corrections and Workforce Development. This document includes the following audit reports and schedules:

- Auditor's Opinion on Financial Statements and Supplementary Schedule of Expenditures of Federal and State Awards.
- Financial Statements of the Overall Agency.
- Schedule of Expenditures of Federal and State Awards.
- Incorporated Group Home/Child Caring Institution Supplemental Schedule.
- Reserve Supplemental Schedule.
- Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Governmental Auditing Standards and the Provider Agency Audit Guide.
- Schedule of Prior Year Findings.
- Schedule of Current Year Findings.
- Corrective Action Plan.
- Schedule of Findings and Questioned Costs.

#### **2. Milwaukee County Department of Health and Human Services Requirements**

The allowability of costs is determined by the Federal Allowable Cost Principles found in *O.M.B. Circular A-122* for non-profit agencies and the Code of Federal Regulations 48 *CFR part 31* for for-profit entities, and State Allowable Cost Principles found in the *Allowable Cost Policy Manual* issued by the Wisconsin Department of Health and Family Services. Purchase of Service Contracts effective January 1, 2006 and later also limit the allowability of costs based on variance from the approved budget(s).

The annual audit report shall contain a budget variance and reimbursable cost calculation for each program contracted, as identified as a separate line item in Exhibit I of the Purchase of Service Contract. Such report shall follow the prescribed format, and determine the budget variance for each line item within the approved budget. Costs allowable under State and Federal Allowable Cost guidelines that exceed the approved budget by the greater of (1) 10% of the specific budget line item or (2) 3% of the total contract amount are deemed unallowable and not reimbursable under this contract. In no event shall the reimbursable amount exceed the contract amount.

An annual audit report in which the Schedule of Program Revenues and Expenses omits information or presents line-item information utilizing classifications not in strict adherence to those found in Form 3 will place the Contractor out of compliance with the contract.

In past years, many auditors have prepared audited financial statements and supplementary schedules with total disregard to the requirements in the contract. This has placed many Contractors in technical non-compliance. Effective with 2006 Purchase of Service Contracts, such deviations from the contract requirements may cause budget variances, resulting in fiscal recoveries owed DHHS that would not be owed if the auditor had complied with the requirements of the contract. **IT IS IMPORTANT THAT YOUR AUDITOR READ THE CONTRACT, THIS SUPPLEMENT, AND AGREE TO ABIDE BY THESE REQUIREMENTS.**

In order to implement these limitations on the allowability of costs, additional schedules are required in your annual audit. These schedules must conform specifically as laid out, and cannot combine individual line items. The line items **must** conform precisely to the line items found in the *Anticipated Program Expenses* Form 3 for each individual program. A separate schedule must be prepared for each program award. **MULTIPLE PROGRAMS MAY NOT BE COMBINED INTO A SINGLE SUPPLEMENTAL SCHEDULE.**

Audited financial statements and supplementary schedules are the representation of management, not the auditor. Although auditors often prepare the financial statements and schedules on behalf of management, the accuracy and compliance of the financial statements are still the responsibility of management. If auditor prepared supplementary schedules deviate from the required content and level of detail, it is quite possible the Contractor Agency will have unallowable costs and owe money back to Milwaukee County DHHS, simply because of the deficient reports. Please be sure your auditor is aware of the required schedules, their required content and the required level of detail. These schedules are your representation and responsibility, **you are the party responsible for their content and preparation, not your auditor.**

3. **Examples of properly and improperly reported schedules.**

Following are examples of properly and improperly prepared Supplementary Schedules of Program Revenue and Expense. These are all examples of reports based on the same underlying costs. The Contractor Agency in this example spent the contract amount, within allowable budget variance levels, on allowable expenditures, and when the Schedule of Program Revenue and Expense is properly prepared, owes no money back. All of the fiscal recoveries are the result of improperly prepared audit reports.

## EXAMPLES OF PROPERLY AND IMPROPERLY REPORTED SCHEDULES

### Underlying data and assumptions

	Budget	Actual
Wages	\$ 200,000	\$ 210,000
Benefits	50,000	57,000
Payroll Taxes	20,000	21,000
Supplies	1,000	2,000
Occupancy	150,000	140,000
Indirect:		
Payroll	40,000	35,000
Benefits	10,000	7,500
Taxes	4,000	2,500
	\$ 475,000	\$ 475,000

Example 1: Audit report correctly presented

Example 2: Audit report combines Wages, Benefits & Taxes

Example 3: Audit report segregates Benefits as Insurance & Retirement

Example 4: Audit reports Indirect Cost items as direct costs

Schedule of Revenue & Expense	Example 1	Example 2	Example 3	Example 4
Wages	\$ 210,000		\$ 210,000	\$ 245,000
Benefits	57,000			64,500
Benefits - Insurance			40,000	
Benefits - Retirement			17,000	
Payroll Taxes	21,000		21,000	23,500
Wages, Benefits & Taxes		\$ 288,000		
Supplies	2,000	2,000	2,000	2,000
Occupancy	140,000	140,000	140,000	140,000
Indirect Costs	45,000	45,000	45,000	
	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000

**Example 1: Audit report correctly presented**

Analysis:	Budget	Actual	Variance	Maximum	Disallowed
Wages	\$ 200,000	\$ 210,000	\$ 10,000	\$ 20,000	\$ -
Benefits	50,000	57,000	7,000	14,250	-
Payroll Taxes	20,000	21,000	1,000	14,250	-
Supplies	1,000	2,000	1,000	14,250	-
Occupancy	150,000	140,000	(10,000)	15,000	-
Indirect Costs	54,000	45,000	(9,000)	14,250	-
		475,000			
Disallowed Variance		-			\$ -
	<u>\$ 475,000</u>	<u>\$ 475,000</u>			
Total Paid		<u>\$ 475,000</u>			
Recovery		<u>\$ -</u>			

**Example 2: Audit report combines Wages, Benefits & Taxes**

Analysis:	Budget	Actual	Variance	Maximum	Disallowed
Wages	\$ 200,000	\$ 288,000	\$ 88,000	\$ 20,000	\$ 68,000
Benefits	50,000	-	(50,000)	14,250	-
Payroll Taxes	20,000	-	(20,000)	14,250	-
Supplies	1,000	2,000	1,000	14,250	-
Occupancy	150,000	140,000	(10,000)	15,000	-
Indirect Costs	54,000	45,000	(9,000)	14,250	-
		475,000			
Disallowed Variance		(68,000)			\$ 68,000
	<u>\$ 475,000</u>	<u>\$ 407,000</u>			
Total Paid		<u>\$ 475,000</u>			
Recovery		<u>\$ 68,000</u>			

**Example 3: Audit report segregates Benefits as Insurance & Retirement**

Analysis:	Budget	Actual	Variance	Maximum	Disallowed
Wages	\$ 200,000	\$ 210,000	\$ 10,000	\$ 20,000	\$ -
Benefits	50,000	40,000	(10,000)	14,250	-
Payroll Taxes	20,000	21,000	1,000	14,250	-
Supplies	1,000	2,000	1,000	14,250	-
Occupancy	150,000	140,000	(10,000)	15,000	-
Indirect Costs	54,000	45,000	(9,000)	14,250	-
Unbudgeted Items		17,000	17,000	-	17,000
		475,000			
Disallowed Variance		(17,000)			\$ 17,000
	<u>\$ 475,000</u>	<u>\$ 458,000</u>			
Total Paid		<u>\$ 475,000</u>			
Recovery		<u>\$ 17,000</u>			

**Example 4: Audit reports Indirect Cost items as direct costs**

Analysis:	Budget	Actual	Variance	Maximum	Disallowed
Wages	\$ 200,000	\$ 245,000	\$ 45,000	\$ 20,000	\$ 25,000
Benefits	50,000	64,500	14,500	14,250	250
Payroll Taxes	20,000	23,500	3,500	14,250	-
Supplies	1,000	2,000	1,000	14,250	-
Occupancy	150,000	140,000	(10,000)	15,000	-
Indirect Costs	54,000		(54,000)	14,250	-
		475,000			
Disallowed Variance		(25,250)			\$ 25,250
	<u>\$ 475,000</u>	<u>\$ 449,750</u>			
Total Paid		<u>\$ 475,000</u>			
Recovery		<u>\$ 25,250</u>			

## SECTION 4: REPORTING REQUIREMENTS

### REQUIRED ANNUAL AUDIT SCHEDULES

### PROGRAM REVENUE AND EXPENSE SCHEDULE

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Prepare a separate Program Revenue and Expense Schedule for each program contracted. Each program contracted is represented by a separate line item on Exhibit I of the Purchase of Service Contract, and had has a separate Section 3 in the proposal submission. **DO NOT COMBINE MULTIPLE PROGRAMS IN A SINGLE PROGRAM REVENUE AND EXPENSE SCHEDULE.**

#### **Specific Instructions**

**Actual.** In the column labeled “Actual” report the actual costs incurred for the program during 2006 or the fiscal period ending in 2006. Do not include costs unallowable by the allowable costs rules contained in the *Allowable Cost Policy Manual, 1999 revision, O.M.B. Circular A-122 or Code of Federal Regulations 48 CFR part 31.*

**Approved Budget.** In the column labeled “Approved Budget” report the latest approved budget for the program, as calculated on Forms 3 and 4. If you need to combine information from more than one Form 3 and Form 4 in order to encompass the entire budget for this program, **STOP.** Two or more programs have been combined in the report. The total actual expenses reported in this schedule will be compared to one and only one program budget; **MONEY WILL BE OWED BACK TO MILWAUKEE COUNTY.** Prepare a separate Program Revenue and Expense Schedule for each individual program.

**Variance from Budget.** In the column labeled “Variance From Budget” report the difference between the actual expenses incurred and the approved budget. Actual expenses in excess of the approved budget will be reported as positive amounts; actual expenses less than the approved budget amount will be reported as negatives.

**Revenues.** Report program revenues for all services performed in 2006 identified by the line items indicated. **DO NO COMBINE LINE ITEMS.** These line items correspond to the budgeting forms submitted with the original application, and were part of the basis used in determining the contract amount and/or rate.

**Expenses.** Report program expenditures for all services performed in 2006 identified by the line items indicated. **DO NO COMBINE LINE ITEMS.** These line items correspond to the budgeting forms submitted with the original application, and were part of the basis used in determining the contract amount and/or rate. As indicated in the examples previously presented, combination of line items may result in unallowability of otherwise allowable costs.

**NAME OF AGENCY**  
**Schedule of Program Revenues and Expenses**  
**For the Year Ended December 31, 2XXX**

Program Name : \_\_\_\_\_

	<b>Actual</b>	<b>Approved Budget</b>	<b>Variance from Budget</b>
<b>Revenues:</b>			
DHHS Purchase of Service Contract	XXX	XXX	XXX
DHHS LTS Revenue (CIP/COP)	XXX	XXX	XXX
DHHS IPN/FFSN Revenues	XXX	XXX	XXX
MCDA (Aging) Revenue	XXX	XXX	XXX
Other Program Revenues	XXX	XXX	XXX
<b>Total Revenues</b>	<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
<b>Expenses:</b>			
Salaries	XXX	XXX	XXX
Employee Benefits	XXX	XXX	XXX
Payroll Taxes	XXX	XXX	XXX
Professional Fees	XXX	XXX	XXX
Supplies	XXX	XXX	XXX
Telephone	XXX	XXX	XXX
Postage and Shipping	XXX	XXX	XXX
Occupancy	XXX	XXX	XXX
Equipment Costs	XXX	XXX	XXX
Printing and Publications	XXX	XXX	XXX
Employee Travel	XXX	XXX	XXX
Conferences, Conventions, Meetings	XXX	XXX	XXX
Specific Assistance to Individuals	XXX	XXX	XXX
Membership Dues	XXX	XXX	XXX
Awards and Grants	XXX	XXX	XXX
Allocated Costs (From Indirect Cost Allocation Plan, if applicable)	XXX	XXX	XXX
Client Transportation	XXX	XXX	XXX
Miscellaneous	XXX	XXX	XXX
Depreciation or Amortization	XXX	XXX	XXX
Allocations to Agencies, Payments to affiliated Organizations	XXX	XXX	XXX
<b>Total Expenses</b>	<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
<b>Net Profit</b>	<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
<b>Allowable Profit (include calculation)</b>	<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
<b>Net Profit in excess of Allowable Profit</b>	<b>XXX</b>	<b>XXX</b>	<b>XXX</b>



**SECTION 4: REPORTING REQUIREMENTS**  
**REQUIRED ANNUAL AUDIT SCHEDULES**  
**SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE**

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The Schedule of Revenues and Expenses by Funding Source incorporates all revenues and expenses for Milwaukee County DHHS funded programs as well as all other contracts, programs and functions of the Agency.

**Milwaukee County DHHS Funded Programs.** Report the total funding from Milwaukee County DHHS funded programs by Division – Disabilities Services Division (DSD), Delinquency & Court Services Division (DCSD), Economic Support Division (ESD), Behavioral Health Division (BHD), and Wraparound and other Fee for Service Networks (IPN/FFSN). It is not necessary to report each individual program separately, however it is necessary to report programs funded by each of the Divisions separately. If a program is partially funded by Milwaukee County DHHS and partially funded by another source, it must be included here.

**Other Programs.** Report other programs, contracts and functions of the Agency that are not funded by Milwaukee County DHHS. These would include Contracts with and Programs funded by Municipalities, Other Counties, the State of Wisconsin, and other Agencies. If a program is partially funded by Milwaukee County DHHS and partially funded by another source, do not include it here,; it must be included under “Milwaukee County DHHS Funded Programs.”

**Indirect Costs.** Report all indirect costs allocable to programs and functions in this column.

**Total Agency.** Sum all the reported revenues and expenses from the previous columns and place the total in the final column. The amounts in the final column should agree with the Agency-wide Statement of Operations or Income Statement.

**Revenues and Expenses.** Please do not alter the line items identified in this Schedule. These line items correspond to the line items in the approved budget upon which the Contract amount and/or rate were based.

**Allocated Costs.** Report the total indirect costs allocated to the programs or contracts in each of the columns. Report the total costs allocated to all the programs as a negative figure in the “Indirect Costs” column. When summed across, the total for this line reported in the “Total Agency” column should be zero.

# SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE

## NAME OF AGENCY Schedule of Revenues and Expenses By Funding Source For the Year Ended December 31, 20XX

	Milwaukee County DHHS Funded Programs						Other Programs	Indirect Cost	Total Agency
	DSD	DCSD	ESD	BHD	IPN / FFSN				
<b>Revenues:</b>									
DHHS Purchase of Service Contract	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
DHHS LTS Revenue (CIP/COP)	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
DHHS IPN/FFSN Revenues	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
MCDAs (Aging) Revenue	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Other Program Revenues	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
<b>Total Revenues</b>	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
<b>Expenses:</b>									
Salaries	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Employee Benefits	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Payroll Taxes	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Professional Fees	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Supplies	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Telephone	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Postage and Shipping	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Occupancy	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Equipment Costs	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Printing and Publications	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Employee Travel	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Conferences, Conventions, Meetings	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Specific Assistance to Individuals	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Membership Dues	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Awards and Grants	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Allocated Costs (From Indirect Cost Allocation Plan, if applicable)	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Client Transportation	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Miscellaneous	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Depreciation or Amortization	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
Allocations to Agencies, Payments to affiliated Organizations	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
<b>Total Expenses</b>	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
<b>Net Profit</b>	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
<b>Allowable Profit (include calculation)</b>	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX
<b>Net Profit in excess of Allowable Profit</b>	XXX	XXX	XXX	XXX	XXX		XXX	XXX	XXX

## SECTION 4: REPORTING REQUIREMENTS

### REQUIRED ANNUAL AUDIT SCHEDULES

#### SCHEDULES REQUIRED BY THE PROVIDER AGENCY AUDIT GUIDE

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In addition to the above schedules, the Wisconsin Provider Agency Audit Guide has several required Schedules. Those Schedules are also required to be included in the annual audit report by the Milwaukee County Purchase of Service Contract. Please refer to the Provider Agency Audit Guide for instructions and information regarding each of these Schedules.

**Schedule of Expenditures of Federal and State Awards.** Follow the format and instructions contained in the *Provider Agency Audit Guide*. There are differences between the Schedule of Expenditures of Federal Awards required by *O.M.B. Circular A-133* and the Schedule of Expenditures of Federal and State Awards for audits performed in accordance with Circular A-133 contained in the *Provider Agency Audit Guide*. Prepare the Schedule under the requirements of the *Provider Agency Audit Guide*.

**Incorporated. Group Home/Child Caring Institution Supplemental Schedule.** Follow the format and instructions contained in the *Provider Agency Audit Guide*. This form includes a calculation of the allowable reserve for Non-profit Agencies. **For Profit Entities are not permitted to retain a reserve under Federal or State Guidelines.** Non-profit Agencies wishing to retain a reserve **MUST** complete the reserve schedule at the bottom of the form.

**Reserve Supplemental Schedule.** Follow the format and instructions contained in the *Provider Agency Audit Guide*. Non-profit Agencies contracting for services on a prospective rate basis are permitted to retain a reserve under State guidelines. **For Profit Entities are not permitted to retain a reserve under Federal or State Guidelines.** Non-profit Agencies wishing to retain a reserve **MUST** complete the reserve supplemental schedule.

**Schedule of Findings and Questioned Costs.** Follow the format and instructions contained in the *Provider Agency Audit Guide*. There are differences between the Schedule of Findings and Questioned Costs required by *O.M.B. Circular A-133* and the Schedule of Findings and Questioned Costs for audits performed in accordance with Circular A-133 contained in the *Provider Agency Audit Guide*. Prepare the Schedule under the requirements of the *Provider Agency Audit Guide*. Failure to include a Schedule of Findings and Questioned Costs consistent with the *Provider Agency Audit Guide* may result in requesting a properly prepared schedule before accepting the audit. Please refer to Milwaukee County Department of Health and Human Services Administrative Probation Policy regarding potential consequences if the audit is not accepted as submitted, and the auditor does not remedy the shortcomings.

## Illustration 7.4 Schedule of Expenditures of Federal and State Awards

### Example Agency Schedule of Expenditures of Federal and State Awards<sup>1</sup> For the Year Ended June 30 19X1

Federal Grantor/Pass-Through Grantor/Program or Cluster Title Expenditures	Federal CFDA Number	Pass-Through Entity Identifying Number <sup>2</sup>	Federal
U.S. Department of Agriculture:			
Pass-Through Program From:			
Wisconsin Department of Health and			
Family Services			
Special Supplemental Food	10.557	147071, 147080	
\$350,000			
Program for Women, Infants,		& 147156	(Note B) <sup>3</sup>
And Children			
Total Expenditures of Federal Awards			<u>\$350,000</u>
State Grantor/Program Expenditures		State Identifying Number	State
Wisconsin Department of Health and			
Family Services:			
GPR Childhood Lead	na	177010	\$85,000
GPR Lead Poisoning	na	177020	<u>\$15,000</u>
Total Expenditures of State Awards			<u>\$100,000</u>

The accompanying notes are an integral part of this schedule.  
(These notes are on the following page.)

1 Additional formats for this schedule are available in the AICPA's Statement of Position 98-3 "Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards." Also, some providers prefer other formats for the schedule to better suit their circumstances and the information needs of their report users. Providers can use other formats if they include the elements for this schedule that are listed in Section 7.1.4.

2 Use the Community Aids Reporting System (CARS) profile number, purchase order number, or contract number for the Pass-Through Entity Identifying Number and the State Identifying Number.

3 If federal, state, and local funds are commingled and if the commingled portion cannot be separated to specifically identify the individual funding sources, the total amount should be included in the schedule, with a note describing the commingled nature of the funds.

## Incorporated Group Home/Child Caring Institution Supplemental Schedule

Period covered by the audit

- |   |  |
|---|--|
| 1. Total units of service   |  |
| 2. Allowable expenses for rate-based service                            |  |
| 2a. Expenses allowable for reimbursement from the IV-E program          |  |
| 2b. Expenses allowable for reimbursement from the XIX program           |  |
| 2c. Other allowable expenses  |  |
| 2d. Allowable expenses for rate-based service (line 2a plus 2b plus 2c) |  |
| 3. Total revenue for rate-based service                                 |  |
| 4. Excess (deficiency) revenue over expenses (line 3 less line 2)       |  |
| 5. Total reserve from all prior periods (not including this period)     |  |

**6. Calculation of reserve and amounts due to purchaser:**

[illegible]

## Reserve Supplemental Schedule

Name of facility

Period covered by the audit

1. Total units of service
2. Allowable expenses for rate-based service
3. Total revenue for rate-based service
4. Excess (deficiency) revenue over expenses (line 3 less line 2)
5. Total reserve from all prior periods (not including this period)

**6. Calculation of reserve and amounts due to purchaser:**

[illegible]

## Illustration 7.9 Schedule of Findings and Questioned Costs, Continued

### Example A – An agency-wide audit in accordance with just the *Provider Agency Audit Guide*

#### Example Agency Schedule of Findings and Questioned Costs For the Year Ended June 30 19X1

##### A. Summary of Auditor's Results

##### Financial Statements

- |   |                          |
|---|--------------------------|
| 1. Type of auditors' report issued?   | Unqualified              |
| 2. Internal control over financial reporting:                                   |                          |
| a. Material weakness(s) identified?   | No                       |
| b. Reportable condition(s) identified not considered to be material weaknesses? | None reported            |
| 3. Noncompliance material to the financial statements noted?                    | No                       |
| <b>B. Financial Statement Findings</b>  | No matters were reported |

##### C. Other issues

- |  |       |
|--|-------|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?   | No    |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the <i>Provider Agency Audit Guide</i> : |       |
| Department of Health and Family Services   | Yes   |
| Department of Workforce Development  | N/A   |
| Department of Corrections  | N/A   |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? (yes/no)   | No    |
| 4. Name and signature of partner   | _____ |
| 5. Date of report  | _____ |

## Illustration 7.9 Schedule of Findings and Questioned Costs, Continued

### Example B – An agency-wide audit in accordance with both the *Provider Agency Audit Guide* and OMB Circular A-133

#### Example Agency Schedule of Findings and Questioned Costs For the Year Ended June 30 19X1

#### A. Summary of Auditor's Results

##### Financial Statements

- |   |               |
|---|---------------|
| 1. Type of auditors' report issued?   | Unqualified   |
| 2. Internal control over financial reporting:                                   |               |
| a. Material weakness(s) identified?   | No            |
| b. Reportable condition(s) identified not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to the financial statements noted?                    | No            |

##### Federal Awards

- | 4. Internal control over major programs:   |   |          |        |  |                       |
|--|---|----------|--------|--|-----------------------|
| a. Material weakness(s) identified?  | No  |          |        |  |                       |
| b. Reportable condition(s) identified not considered to be material weaknesses?                                      | None reported   |          |        |  |                       |
| 5. Type of auditor's report issued on compliance for major programs?   | Unqualified   |          |        |  |                       |
| 6. Any audit findings discloses that are required to be reported in accordance with Circular A-133, Section .510(a)? | No  |          |        |  |                       |
| 7. Identification of major programs:   | <table style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 60%; text-align: left;">CFDA No.</th> <th style="width: 40%; text-align: right;">Amount</th> </tr> <tr> <td style="padding-left: 20px;">Special Supplemental Food Program for Women, Infants, and Children</td> <td style="text-align: right;">10.557      \$350,000</td> </tr> </table> | CFDA No. | Amount | Special Supplemental Food Program for Women, Infants, and Children | 10.557      \$350,000 |
| CFDA No.   | Amount  |          |        |  |                       |
| Special Supplemental Food Program for Women, Infants, and Children   | 10.557      \$350,000   |          |        |  |                       |
| 8. Dollar threshold used to distinguish between Type A and Type B programs?  | \$300,000   |          |        |  |                       |
| 9. Auditee qualified as low-risk auditee?  | No  |          |        |  |                       |

##### B. Financial Statement Findings

No matters were reported

##### C. Federal and State Award Findings and Questioned Costs

No matters were reported

##### D. Other Issues

- |  |     |
|--|-----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?   | No  |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the <i>Provider Agency Audit Guide</i> : |     |
| Department of Health and Family Services   | Yes |
| Department of Workforce Development  | N/A |
| Department of Corrections  | N/A |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? (yes/no)   | No  |
| 4. Name and signature of partner   |     |
| 5. Date of report  |     |